

***Summary Minutes***  
**Regular City Council Meeting**  
**City Council Chambers, Sedona City Hall, Sedona, Arizona**  
**Tuesday, March 23, 2010, 4:30 p.m.**

1. **Call to Order/Pledge of Allegiance:** Mayor Adams called the meeting to order at 4:31 p.m.  
➤ **Reading of City's Vision Statement:** Councilor DiNunzio read the city's Vision Statement.
2. **Roll Call:** Mayor Rob Adams, Vice Mayor Cliff Hamilton, Councilors Nancy Scagnelli, Dan Surber, Mark DiNunzio, Jerry Frey (left at 6:48 p.m.) and Pud Colquitt

**Staff present:** City Manager Tim Ernster, City Attorney Mike Goimarac, Assistant City Manager Alison Zelms, Administrative Services Director Andi Welsh, Economic Planner Jodie Filardo, Director of Arts & Culture Ginger Wolstencroft, Community Development Director John O'Brien, Senior Long Range Planner Mike Raber, Associate Planner Kathy Levin, Senior Current Planner Nick Gioello, City Engineer/Public Works Director Charles Mosley, Associate Planner Beth Escobar, Senior Referral Specialist Anne Leap, Officer Bill Hunt, City Clerk Randy Reed and Recording Secretary Alison Carney

3. **Summary of Current Events by Mayor/Council/City Manager.**

Tim Ernster stated last Friday we hosted the Yavapai County Mayor/Managers meeting. We had Chino Valley, Prescott Valley, Cottonwood and Clarkdale and two county supervisors. A number of issues were on the agenda like Red Rock State Park. We talked about HB2512, dealing with the city's ability to self-collect sales tax. We discussed ADOT funding issues as it applies to road maintenance and the challenge we had convincing ADOT they had to plow SR89A after snow storms. Mayor Joens from Cottonwood talked about annexation of state trust lands. It was a good informative meeting. The other issue is the legislative day last Thursday in Phoenix. We had a meeting with our two legislators. They spent a bit of time describing the state budget challenges. They work hard to protect the city's state shared revenues. We discussed issues we're concerned about such as HB2512. Andy Tobin talked about his bill where the legislation for Growing Smarter would be extended two years and money would be transferred to the state parks. We also talked about HB2060 which would add \$12 to license fees and \$9 would go to state parks. Jennifer Wesselhoff attended the meeting with us and participated in discussions.

Mayor Adams stated there was discussion as to whether Council was invited to the Mayor/Managers meeting. It's to the discretion of the mayor, so in the future if anyone would like to participate, please let him know and he'll make sure they're okay with that. Andy Tobin's bill looks like our best hope for saving the state parks. Tim Ernster and I are working several angles, looking at a collaborative effort with the business community, city and county. We're going to talk to NACOG next week about that to see about other stakeholder participation.

This Saturday, March 27, there'll be a March Against Meth parade in Cottonwood.

Vice Mayor Hamilton stated the City will hold an open house on April 6 from 9-10:00 a.m. for the public to learn more about the proposed policy for alcohol in parks. This Thursday, March 25, April 1, and April 7, there will be public input for the wastewater rate study, to learn more about that.

Mayor Adams asked what the City is doing to advertise those open houses?

Alison Zelms stated we've put it on our web site. We've notified the public in their wastewater bills. We put those special three meetings in the paper. We've sent information out to all the typical venues.

Mayor Adams stated regarding alcohol in the parks the presidents of the neighborhoods are good contact. Are they contacted?

Alison Zelms stated we could do that but we don't have an up to date list.

Mayor Adams stated Linn Ennis is publishing some type of information paper in the Chapel, letting her know would be a good idea to get that information to the Chapel.

*No legal action was taken.*

**4. Reports and discussion on Council assignments.**

Councilor Colquitt stated she attended the library board meeting. There's an issue with the project on White Bear Road. She discussed that with the city manager. She attended the Sedona Community Center board meeting and they're on the agenda.

*No legal action was taken.*

**5. Public Forum: Limit of three minutes per presentation.**

**This is a time for the public to comment. Council Members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.**

*Mayor Adams opened the public forum at 4:48 p.m.*

Marlene Rayner stated she's speaking about the zero waste workshops she's worked hard to promote with Yavapai College. They'll be Friday, April 23 and Saturday, April 24. They'll lead to a certification of zero waste from Yavapai College. There will be three courses. Such are usually offered individually at regional or national meetings. They are rarely offered at colleges except for a few places in California. We have Richard Anthony, who has taught these courses and implemented Zero Waste all over the world. Considering our community will be going through a community plan update it might be a good time to think about zero waste. To save resources, energy and save money for you and your business. Consider paying the \$105 for you or your employee. You can go to the Yavapai College web site for information.

*Mayor Adams closed the public forum at 4:51 p.m.*

*No legal action was taken.*

**6. Awards and Proclamations:**

**a. Awards: None**

**b. Proclamations: None**

*No legal action was taken.*

**7. Consent Items:**

**The consent portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items approved will be done by one non-debatable motion passed unanimously. Any member of the Council, staff or public may remove any item for debate. Items removed from the consent portion may be acted upon before proceeding to the next agenda item.**

**a. Approval of Minutes:**

- (1) January 26, 2010
- (2) January 27, 2010
- (3) March 10, 2010

**b. Liquor License(s): None**

**c. Approval of an artwork donation by Robert Albrecht.**

Ginger Wolstencroft asked tonight that Council approve the portrait of Joe Beeler. He's a legend of Sedona. Our Uptown sculpture is of Joe. Unfortunately Joe passed away April 26, 2006. He has a special place in my heart. She'd like to bring Robert up to say a few words. He's an active local photographer.

Robert Albrecht stated he was a good friend of Joe's. He got to know him pretty well. He was quite a guy. Coming from being born in Missouri he shared the heritage of the Cherokee and the white man. He was unique starting from the gate. He had a tremendous sense of humor. You never knew what he was going to do next. One of the more significant events in Western Art history happened in Sedona in 1965. Joe came back with two buddies from branding cattle in Mexico. They decided to sit down in Oak Creek Tavern which is now the Cowboy Club. They came up with Cowboy Artists of America. They're now recognized worldwide. It's important that Sedona was the founding place. Joe helped bring Sedona to the art scene. Joe was very humble about what he did. Whether he's doodling on napkins or working on stationary in hotels or doing one of his wonderful paintings. He feels a fellow like that ought to be remembered here.

Mayor Adams stated he met Joe once and he didn't know the man enough to comment. But Robert caught his character in that photograph.

Ginger stated the place for the photograph is yet to be determined. It will be discussed with the Art in Public Places Committee.

Mayor Adams thanked Robert.

***Motion: Councilor Scagnelli moved to approve all consent agenda items. Councilor Colquitt seconded. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.***

***Motion: Councilor Frey moved to defer #11 to after the new Council is seated. Seconded by Councilor Scagnelli. Motion failed with three (3) in favor and four (4) opposed. (Mayor Adams, Councilor***

***DiNunzio, Vice Mayor Hamilton and Councilor Surber opposed).***

Councilor Frey stated he wanted to move it to the new Council because they'll have to deal with it.

Greg Zucco, the presenter, stated he's ready to go. If future Council wants to revisit this issue, that's their prerogative. He doesn't agree with the rationale that everything should be put off for the next Council.

Councilor DiNunzio stated the agenda item is for information and direction. To have this information more visible, the present status and to give direction on an additional step prior to the next Council coming in. There aren't going to be any decision tonight regarding a financial impact. We don't even know what they're going to present. We should move it forward for the next 60 days so the new Council has more information.

Councilor Scagnelli stated it's not agendized for action. We might be doing a disservice to the committee for us to give direction then a new Council comes on and it's not clear if they support transit in any form. It seems unfair to everybody. She can see the rationale to deferring it. Having gone through the campaign process, she understands that some aren't in favor of transit in any form. It's quite a study and a lot of information.

Mayor Adams stated all Council-elects are here so they'll hear the presentation. There has been discussion between myself and staff on this topic. We're hoping to open dialogue with the NAIPTA board in terms of what role they'll play if we choose to move another direction with the Uptown circulator. There's a lot of information we can start accumulating before Council is seated. Giving any direction that may be contrary to wishes of the new Council. We need to keep that in mind.

Councilor Colquitt stated we have a transit; we have commitments and financial responsibilities. She'd like to have everybody. She's surprised NAIPTA wasn't here to hear this. Where do we stand? We have an ongoing project in process right now. She's not against electric. She's just trying to get a handle on possible direction.

Tim Ernster stated when Jeff was here a month ago; one of the issues we'd talked to him about was staff's interest in NAIPTA looking at a pilot program to incorporate an electric vehicle in their service. Jeff alluded to the fact that we did have those discussions. NAIPTA is putting together budget estimates right now for what it'd take to continue service as it is to Sedona.

Councilor Colquitt asked if the presentation is in conjunction with NAIPTA.

Tim Ernster stated it's to communicate to Council the work of the committee. It's in no way connected to NAIPTA.

Mayor Adams stated the committee was formed with the blessing of Council. The committee has done their work and are ready to make the presentation. NAIPTA has been following the direction of Council which is to operate the Roadrunner system and come back with periodic studies to see it's effective. There seems to be a shift to see if we want to continue with the circulator or do something in lieu of. He doesn't have information on what it would cost to sell those trolleys. Council can give direction for NAIPTA to move forward.

Councilor Frey stated he'd like to continue with his motion. Councilor Scagnelli agreed.

Councilor Colquitt asked what happened to the public forum.

Mike Goimarac stated it was unclear whether we voted to move #11 up. Right now the agenda stands as it's set forth. If Council wants to make another motion to move this item up that'd be the best way to resolve the dilemma.

**8. Presentation by Sue Barrington, Executive Director of the Sedona Community Center.**

Sue Barrington read from a letter she prepared: "I asked to say a few words to the City Council today as we all approach a difficult and important budget season. I hope to remind you of the very important contributions provided by Sedona Community Center with the continued financial investment awarded by the city of Sedona. The Sedona Community Center (SCC) sends our Annual Report to you each year that breaks down our \$500,000 annual budget so that you may analyze what we do and how we do it. We also submit quarterly budgetary reports to funding agencies such as NACOG, ADOT, United Way, the Fort McDowell-Yavapai Nation, Sedona Community Foundation and the Arizona Community Foundation. Our expenditures are scrutinized in a way that may not be true for other non-profits because of the nature of our business. We provide services to folks deemed 'vulnerable adults' by the federal government. This means that we have to always hit a mark much higher than others. Just as our kitchen has just received its fourth consecutive Golden Plate award, each indicating a year of flawless surprise inspections on behalf of the County Health Department, the Sedona Community Center is held to this higher standard. A restaurant is inspected once annually, our kitchen is inspected four times a year. I am proud to announce that the Sedona Community Center is the only Senior Center in Northern Arizona that has attained this award and recognition four years in a row. SCC has had both a challenging and successful year in terms of providing service to our elders. During fiscal year 2009-10, we will have served over 27,000 hot meals to over 500 senior members of our community. For those to whom we deliver, this constitutes over 180 homebound senior residents, our Meals on Wheels program is more than just a warm meal. Our volunteer delivery drivers also bring a smile and conversation to many who may not have any other human contact throughout the day. We have unsolicited letters of appreciation from our clients that attest to the importance and intimacy of these relationships. Indeed, many of our meal recipients are devastated when a regular volunteer changes routes or moves out of town as they consider each driver a true friend. Many volunteers continue these cherished relationships as they converse whether by telephone or with holiday cards and letters. Likewise, when a client is removed from delivery, either because of a move, a relocation to a care facility, or due to death, it is often devastating to our delivery drivers. In addition to the food, our delivery drivers (more than 75) provide a daily well-being check. Just a few weeks ago, one of our drivers was unable to complete delivery of lunch as there was no response to the knock on the door. After repeated delivery attempts and follow-up phone calls, the sheriff was called and indeed the client was found deceased. Were it not for Meals on Wheels program, this dear, wonderful person may not have been found for weeks. Indeed, it is our drivers who are responsible for the authorities being called when a client does not respond for their daily meals. More often than not, these calls result in the mail recipient being found injured or ill. These isolated seniors would not have received medical attention and help needed were it not for our Meals on Wheels program. We are talking about more than quality of life issues here; we are often talking simply about life. As SCC looks forward to the coming fiscal year, we are looking at a significant deficit. We recognize that the city is overburdened with financial commitments especially when it comes to non-profits organizations. We are unsure of what monetary support we might expect from the City of Sedona

this year. This gives us great pause. Beyond the funding sources noted earlier – a major source of income in the past few years has been the state of Arizona Tax Credit program. This past year, it provided for over \$65,000 of income for the center. Due to the narrowing of designated charities being recognized by the State as Arizona faces its own financial crisis, we may lose this cherished source of revenue. Although we are planning to appeal such a decision, the outcome remains unknown. We must aggressively redirect our fundraising energies. To this end, we have decided to develop a Legacy campaign that will eventually, hopefully, result in an endowment fund so that all our senior social services are protected in the future. With this endeavor, we recently sponsored a Sustainable Funding Institute which was attended by over 30 Sedona non-profit agencies (NPO). This was done in an effort to share resources and strategies so that all area NPOs might move significantly forward toward self-sustainability. Just as the City Council is undoubtedly doing, SCC is having to reconsider what we do, how we do it and how it is paid for. We have a newly energized Board of Directors with a multitude of fundraising projects. The wonderful Flowers for Food project that was presented to you two weeks ago when we received your generous proclamation is one such example. There are many other projects being developed. One of my favorites will be highlighted at the end of my presentation. In the past fiscal year, the center has cut payroll expenses by 22%, program expense by 18%. As we are currently working on the fiscal year 2010-11 budget, we are taking a hard look at all the other events, classes and programs to be sure that they are “pulling their own weight” in terms of expenses versus income to remain viable. We are facing a year with promised increase in service need while at the same time featuring deep cuts in funding. We will be cutting all extraneous activities that are not vital to our mission of supporting the health and well-being of our community’s seniors. This will exact another round of staffing cutbacks so that we can achieve this financially. Just as the city is having to do, the SCC has evaluated its priorities and pared down to our core essential services. Our meals programs (including MOW, congregate lunch and brown bag breakfast club), Telecare and Senior Transportation are our core mission. Even as two out of three MOW programs are owned and operated by their cities, we are doing all we can to remain independently viable. Indeed, even the fate of our pool season this year is in jeopardy. We had a meeting just today with our membership regarding the necessity of the pool program breaking even so that it is no longer a drain on our financial and staff resources. If this cannot be accomplished, the pool will be just another program that will be set aside until the global economy turns around. Finally, I want to introduce one of our most loyal volunteers. Jay Javey is a MOW driver probably 30 hours or more monthly. He is most often accompanied by his beautiful children, Adrian 5, and Cheyenne 7, who are learning invaluable lessons about service and compassion from their dad. Jay has a business called Challenge Coin USA, a Sedona-based company, has designed and produced a Sedona Coin and donated this coin to the SCC for sale. These are great to collect, give as gifts or to use as awards. Jay has minted 200 Sedona Coins for SCC. He has donated all of his costs, allowing all the proceeds of purchase to go directly to our senior social service programs. 100% of the purchase price of these highly collectable coins benefit the SCC Meals on Wheels program. In closing, I am here as a reminder of the important work accomplished by SCC and that this sacred work involves critical service. We literally impact the life and death of our senior citizens. As is often quoted, our seniors really need so little, but what they need, they need so much.”

Adrian and Cheyenne presented a coin to each of the Council members.

Councilor Colquitt stated Susan would you like to tell everyone how much these cost. We can't accept them.

Sue stated when we were selling these as a fundraiser they are \$20/piece. All the revenue goes to Meals on Wheels. It may be of interest to folks who represent our city.

Councilor Colquitt stated she's the liaison with the Community Center. Sue does more with a dollar than anyone she knows. If you spend time there you see what they do. She challenges her colleagues for \$20 each.

They all agreed.

Jay Javey stated he became a Meals on Wheels driver a year and a half ago. Going to seniors homes touched him deeply especially in the winter and their homes are so cold. He's doing as much as he can to help SCC. He's a retired police officer. These coins are good fundraisers. He thought it was a good idea to help the Community Center. Thank you for paying.

Mayor Adams stated thank you for your service and for taking your children along and setting that example.

*Mayor Adams opened to the public at 5:17 p.m., not seeing any, he brought it back to council.*

*No legal action was taken.*

9. **PUBLIC HEARING: Discussion/possible action regarding a request for a two-year Time Extension of the Zone Change approval for the Red Raven Inn, now known as the Red Rock Lodge, a proposed 22-unit lodging facility with three affordable residential apartment units located at 901 North SR89A. The applicant received zone change approval in April 2008 for the Red Raven Inn project, a six-building, 23-unit lodging facility with three affordable residential apartments, a commercial spa and one market-rate condominium (ZC2007-4 and DEV2007-4). The applicant is proposing to scale down the size of the project, reduce the lodging units from 23 to 22, remodel the existing lodging buildings instead of demolishing them as previously planned, and construct two new buildings. The three affordable residential apartments are still a component of the project and will be included in one of the three remodeled buildings. The commercial spa and market-rate condominium are no longer part of the project. The zone change approval for the Red Raven Inn project will expire on April 8, 2010. The applicant is requesting a two-year time extension of this zoning approval. The property is approximately 1.65 acres and is zoned L (Lodging). The subject property is also known as Assessor's Parcel Number: 401-06-006B.**

Beth Escobar stated this application is a zone change extension request for the Red Rock Lodge located almost at the end of City limits on SR89A. She showed an aerial of the existing property. There's a pool that's been covered up. The current parking for the lodge is in the ADOT right of way. In 2008 Monty Wilson the property owner came forward for a complete redevelopment for six new buildings. The zone change for increase was approved in April 2008. The applicant has been able to secure financing. It has six separate buildings, all new. Parking in the front but out of ADOT right of way. The applicant has come forward for a two-year extension. The proposal is to renovate and remodel the existing buildings, add two additional buildings, for a total of 22 lodging units, one less than formerly approved. The three on-site residential units will be there for affordable units that were previously agreed on. The lot coverage is less than what was approved. The yellow highlights indicate the structure that will remain. The applicant will have to provide engineering to prove the renovation can be supported by the existing foundation. The community benefits include the three affordable housing units. According to the development agreement the three rental units must be ready prior to the lodging units receiving a certificate of occupancy. A third of existing topography will be preserved. The existing nonconforming

parking will be removed from ADOT right of way. Less of the site will be disturbed. In staff's opinion, the applicant has met the criteria for zone change extension. He has been working with staff about what he can do for this project. He's demonstrated that he's trying to pursue it. At the February 2, 2010 meeting P&Z recommended approval of the zone change extension. We modified condition #2 to include the actual date to which the extension would go that's April 8, 2012. Monty Wilson, the owner and developer is here to answer questions.

*Mayor Adams opened it to the public, not seeing any, brought it back to Council at 5:25 p.m.*

Councilor DiNunzio asked where the ADUs are located?

Beth stated the three units will be in an existing building.

Councilor DiNunzio stated the April 8, 2010, would extend to April 8, 2012 is that correct?

Beth stated yes, it's exactly two years. Construction must be begun by then.

Councilor Scagnelli stated since the properties to the north are no longer included in this project, do they still share the access?

Beth stated there's an existing easement that provides access to those two properties. The access is recorded and will remain in existence. It will be more controlled than what it is now. It's about 24 feet wide and this portion will be asphalt. This definitely will be improved.

Councilor Frey stated he'd like to talk to the applicant. Will two years be enough because of the financial situation?

Monty stated he's talked to the banks. Part of the process he's undertaken in the past year is to get an investor. If that investor wouldn't work, no one would. It's anyone's guess. He thinks within two years they should be able to start again.

Councilor Frey stated he's worried about constraints that the banks want from him. How long is it going to take?

Monty stated we could get a commitment from a bank within a year. He doesn't think the permitting process would take that long. We're well into the design and construction drawings. He's happy with two years.

Monty stated he appreciates Council's response to the Red Raven Inn. He knows they all enjoyed that project, as he did. He doesn't think what they're offering is compromising what would be a great welcome. He's proud of what they're offering. We had good response from P&Z. We appreciate what this property is. In honoring what Sedona is, we don't feel this is a compromise.

Councilor Surber stated as far as the waivers, the height one goes away with alternate standards.

Beth stated they're using a portion of alternate standards on building one. That's the only place they're over height. We only have one place where they're applying alternate standards.

Councilor Surber stated as far as the waiver for the walls. We have a double wall system where we're breaking the height down as much as we can?



Beth stated yes we are. You can stagger walls, but the height starts at the bottom of the first wall. There is a walkway in the middle that will break up the mass of those walls.

Mayor Adams asked if Community Development requests documentation when applicants ask for an extension?

John O'Brien stated we require they provide us with information regarding what they've spent on the project since they've received their approval. All they have to meet is one of the first two requirements and the last is a catch all. In either case they have to prove they're in good faith.

Mayor Adams asked if they weren't meeting the second one would you ask for documentation of their financing?

John stated yes.

Mayor Adams stated we all know it's a tough economic climate. We know that there are developers who have the intention of flipping and Monty isn't one of them.

Beth stated we do have the ability to verify that property taxes have been paid on this project. And that was verified.

Mayor Adams asked if the buildings that were going to be remodeled were going to be raised to the foundation?

Beth stated the second story is proposed for all three of the buildings. We put a condition of approval specific to this. They will have to provide the engineering that demonstrates that it will support that second story load.

Mayor Adams asked what if it will not support it engineering wise would that make a big difference?

Monty shook his head no.

Mayor Adams told Monty everything he's done has been first class.

***Motion: Councilor Colquitt moved to approve the Zone Change Time Extension, TE2009-3, for the Red Rock Lodge project, for a two-year period to expire on April 8, 2012 unless a valid building permit has been issued and the project is under construction and being diligently pursued towards completion, all as set forth in the amended conditions of approval, adding the specific date of April 8, 2012 to condition # 2, as approved by the Planning and Zoning Commission on February 2, 2010 which are hereby approved and adopted. Seconded by Councilor Frey. Vote: Motion passes unanimously with seven (7) in favor and zero (0) opposed.***

- 10. PUBLIC HEARING: Discussion/possible action regarding a time extension of the Zone Change approval for the La Tierra Plaza and Adobe Lodge, and a time extension of the Development Review approval for the phase-two office building. The applicant is requesting a time extension of the approved zone change approval (ZC2006-4) of the La**

**Tierra Plaza and Adobe Lodge, which consisted of a two-building commercial office addition of approximately 14,492 square feet to the existing La Tierra Plaza, a 40-unit lodging facility, and a trailhead facility with a parking area. The project was approved to be constructed in three phases, with the first phase consisting of the one office building (which has been built), the second phase consisting of the second office building and the trailhead facility and parking area to commence construction by March 13, 2012, and the third phase consisting of the lodge to commence construction by March 13, 2015. Development Review approval (DEVE2006-8) was only granted for the phase-one and phase-two office buildings while the lodging facility did not receive Development Review approval. The applicant is requesting permanent zone change approval in exchange for building the trailhead facility and parking area ahead of the March 13, 2012 deadline. The subject properties are currently zoned SU (Special Use). The subject properties are located north of S.R. 89A and east of North Airport Road and are further identified as Assessor's Parcel numbers 408-25-039H, 408-25-039J and 401-70-107.**

Nick Gioello stated this project was approved by P&Z February 2007 and by Council March 2007. He showed where the property is located. The project was approved with a zone change and rezoned to special use. The approval included two office building additions. One of the office buildings has been built and completed. Phase 2 consisted of the second office building which has not been built. Also with phase 2 was going to be the trailhead parking. This is the turnout that's at the highway now that abruptly ends. This is the trailhead parking area. Phase 3 would include the lodging facility you see there as well as the vista overlook building as well as the road connection that would take you back to the La Tierra Office Plaza. The applicant is requesting an unlimited time extension on phase 2 and 3 in exchange for installing the trailhead parking area that would be within six months of the forest Service's approval. Parks & Recreation has given support. Forest Service personnel are also in support. They're starting the NEPA process now. They feel confident the NEPA process will go through. Staff is supportive of the request because it ensures we get the trail facility in place regardless if the project is built. If the proposal is not approved tonight they have two time clocks ticking. One that expires in 2012 and one in 2015. If they don't complete either of those there's no guarantee we'll get the trailhead parking. It also preserves a good project that defines Sedona's building principles. The project this applicant has built previously is in line with what we're trying to get in the Sedona look. The applicant thinks they deserve the unlimited time extension because they completed Phase 1 and put in additional benefits, a large array of solar panels. In staff's opinion that's a step to diligently pursue the project that was approved.

John O'Brien stated as a part of the site plan that was approved the applicant has preserved 1.2 acres of open space along 89A frontage between La Tierra and Adobe Lodge, that will remain open space. That open space is noted in the community plan that talks about retaining that vista of Wilson Mountain when you're coming down Cook's Hill. They've already paid \$50,000 in lieu fee for the affordable unit benefit.

He and Mike Goimarac tried to simplify some of this and make it clearer. The 1<sup>st</sup> paragraph on the first sheet is the suggested motion if Council goes along with the permanent.

The second sheet is the conditions of approval that would go with that motion. They go with the original conditions approved in 2007.

The second motion you see is if Council decides to grant a limited time extension to specify dates for Phase 2 and 3. The conditions on page 3 would go along with that second motion.

The next sheet is reflective of a meeting we had with Vice Mayor Hamilton who had concerns with an unlimited time extension. This motion reflects the time extension for Phase 2 and leaving Adobe Lodge at 2015.

Architect, Mike Bower, stated we reviewed the changes. Max and I feel the perspective here is different than what's in your staff report or different from George or Claudine's focus. We're always stuck in development review. There have been three other proposals on this property. The Community Plan points to this piece of property and gives us specific direction. We tried to figure out how to address that. The project leaves 64.5% of the property on the lodging site in natural landscaped open space, 18% in parking and roads 11.4% in building print. So 64.5% may just be a number. Red Rock Lodge is leaving 33%. The point of having the zoning site-plan specific locks us into what we feel is a good given. It doesn't hurt the town to grant something in perpetuity. It may feel wrong but the problem is there are reasons to cement a good plan into place so you have a hinge place. It helps everyone involved. It'll help staff. There's significant acreage that will undergo development across the way, so it helps staff give development requests. It helps the private sector. The land development code requires us to look at the context. It can lead to more viable planning. You know you have 1.2 acres of open space on the highway. He hopes George and Claudine will brag about themselves.

Mayor Adams stated George and Claudine are reputable developers. If he knew they were going to be the ultimate developers of the property there would be no question in his mind. How does he know that? His concern is what if?

Mike stated the answer is it is site-plan specific zoning. If we assume a big problem and another developer surfaces, they're locked into the development plan. If they want to modify it at all it's subject to reapplication. It's not total security, we can't ever have that, but it's as good as it gets. It's as tight as you can make it. We'd all like to hope George and Claudine will develop it and polish it like they do.

Mayor Adams stated it doesn't mean the quality of the development will be the same. We know what George is intending over there.

Mike asked John if someone could come in and propose a different materials package.

John stated Adobe Lodge hasn't gotten development review approval, only the second office building. You gave the architectural flavor. If there's little modifications to the building materials it wouldn't require something, but if there's significant changes it'd have to go back to P&Z and Council. We didn't give development review approval for the Adobe Lodge. There is a condition on the time extension, #2, the concept that was presented in 2007, when they come through for formal development review; it has to look like that concept.

Mike stated there were complete drawings, all of that got thoroughly vetted and locked in. If you're worrying about subtle aspects of quality, if a real low-baller got a hold of it, it could feel a little worse, but the outside would have to adhere to how we have it.

Max Licher, Mike's partner in Design Group. When he looks at a site-specific zone change, everyone is agreeing to it. We all agree it's an equal or better use than what was there before, so there's no reason it shouldn't be permanent. Clustered lodging in the back part of the low property and leaving open space is appropriate. If this isn't able to happen and it reverts to what

was there before, he doesn't see any benefit the community gains by putting a time limit on it. We gain more by having a site-specific plan with the benefits locked in. There's no reason for a time limit.

Mayor Adams stated his argument isn't about the site use; it's about the quality of the final project.

George Moore, Sedona, he's a 34 year resident of Sedona. Three years ago a number of you voted on this proposal unanimously. The world was a different place. This process started in November 2004. We purchased the property which was a hotel site. Claudine and I both felt it imperative that we try to preserve at least 50% of that site. We worked for one year on a design on the hotel site. To try to design something we could lock in that everyone would be proud of. He knows staff spent hundreds of hours putting this together since 2006. We had four meetings with local subdivisions. Not one person opposed it. We spent four meetings with P&Z. We fine tuned it and Claudine and I are really proud of it. It is a really tough site to build. We spent three years building the building that just got finished. We saved every tree. We relocated every bush and tree on the property. We moved 15 trees from the Cultural Park to that site. The Cultural Park was denuded when they built the facilities there. We borrowed \$3 million from Desert Hills to do the project. Today you couldn't do that. He doesn't have that relationship with someone who wants to give him \$10 million. We will probably do the second office building in the near future, but we're putting all our eggs into one basket. A year ago we went to John O'Brien and we've been working on it since. Max and Mike said that's the best design that could happen on that property. He knows we build buildings that don't make sense because they're 10% land coverage. That's exciting to us. We dig up trees. He likes that. He likes working with the subdivisions. They're his patients in his dental office. We've never had a complaint. We go the extra mile. We paid the \$50,000 toward affordable units. We did put in the solar panels. We're presently working with the Forest Service to put in a trailhead. The hotel is the big issue in this. We're excited about doing this. Today is not the answer. If you have a crystal ball and you can tell when you can borrow money, great. He was at a meeting at La Rouge and La Rouge is very similar. He thinks La Rouge is a good project. We've give back as much as we can give to the community. P&Z approved this 5-1. The one dissenting vote was against it from the beginning. Staff is in support of what we're doing. We've put a lot of energy into designing those buildings.

*Mayor Adams opened to the public at 6:12 p.m.*

Marlene Rayner, Sedona, stated she's opposed to the permanent extension. She suggests you only do a limited time extension. The offering of a parking trailhead is for a trail that hasn't been approved. This is the second request for such a rezoning for community benefit. Residents need to discuss the issue of community benefits and permanent rezoning.

Mike Ward, Sedona, stated he's talked to P&Z about zoning issues. The process of P&Z and Council is a delicate balance between the needs of the community and the people who invest here. A permanent irrevocable change of zoning isn't in our best interest. The project merits it, but who knows in 10 years. We might have some other owner there with a clever attorney who will argue they can't afford to do it with the restrictions placed on it. He urges them to be generous with the owners. Be generous with the amount of time but not permanent.

*Mayor Adams brought it back to Council at 6:15 p.m.*

Councilor Scagnelli asked staff what was it zoned, what would it be?

John stated it was planned Residential Development. It was an outcropping from Les Springs. That's before the City was incorporated. Then in early 2000, late 1990's, a property owner came forward and developed a Point Springs office complex. They were separate buildings. This came forward to replace that. It's currently zoned Special Use.

Councilor Scagnelli stated if we didn't do the permanent would it revert?

John stated no, it's up to Council to initiate a reversion of the zoning, it doesn't automatically revert it takes a public hearing.

Councilor Scagnelli stated George did an excellent job promoting his project. George and Claudine spearheaded the formation of the school district. We wouldn't have our own high school today. They've been involved in so many projects. She feels comfortable with this project. She can't think of anything better than what they presented. The open space is a huge benefit. Often times, if you pass on that first project, you don't always get a better project. She can think of some examples, like the Preserve. She's in favor of the permanent time extension. She feels confident, with the exception of something out of the ordinary happening that they'll go forward with the project and it will be outstanding.

Councilor Colquitt stated the word site-specific keeps coming up. Can John explain that?

John stated when the zoning was granted the site-plan identifies where the buildings are going to go. That rezoning locks in that specific site-plan, including the open space.

Councilor Colquitt stated she supports a permit time extension. This is one of the most important sites left undeveloped in Sedona along Cook's Hill. She will vote in favor to tie it up as much as possible. She supported making Sedona Rogue permanent because that's the best use of that parcel. The last thing she wants is a Scottsdale developer up here making it look like Scottsdale.

Mayor Adams asked where it talks about the permanent zoning in the motions.

John stated the motion ties into the conditions, so if you look at the first, then you look at the next page, the conditions relate to that motion. Condition 3 and 4 talk about "shall have no time expiration" and condition 4 refers to the Adobe Lodge. If you give an unlimited time extension, you're giving the permanent zoning. So 3 and 4 say you're giving a permanent zone change.

Councilor DiNunzio stated regarding the building footprint. The building footprint will be 11% for the lodging, is that 11% of the triangle up there?

John stated that's correct.

Councilor DiNunzio stated the use of the word permanent speaks of a rigidity or cast in concrete. Should we take this action tonight, that doesn't stop someone from coming forward and saying they want to do something different.

John stated they'd have to go through the whole process.

Councilor DiNunzio stated so we're really not making an exception.

John stated if they wanted to change the project they'd have to go through the whole process for a rezoning.

Councilor DiNunzio stated the only better use for that property is it to revert to public property and have it remain vacant. The project speaks to 11% of a low profile development of the property. Other than a philanthropist coming forward and buying the land, he doesn't know how we do better than what's been proposed.

Councilor Surber asked if there's a structure on the trailhead facility?

Nick stated there was an overlook for taking pictures from. The structure would come in Phase 3 with the hotel. The parking area and access from the highway would come within 6 months of the NEPA. He got an e-mail from the Forest Service. He heard a question from the public. We don't really know if the NEPA will be approved, but we do know a study didn't put up any red flags. The district strongly supports action that will provide access to the trail system. They are confident they'll be able to go forward with this.

Councilor Surber stated as far as the Community Plan is this property designated in there.

John stated yes, one of the primary benefits is preserving that vista when you come down Cook's Hill.

Councilor Surber stated this is a better land use. We're locking in a better project and we're locking in community benefits. They took it one more step with the solar. We're locking in the community benefits from day one. We're locking in footprints, lot coverage, land use and that's a good thing to do. He has no problem doing that permanently. It's a better use. It's meeting a lot of community benefits.

Vice Mayor Hamilton stated his whole reason for exploring options rather than permanent zoning is really about setting the precedent. Lots of folks have clearly laid out the quality of this project. He likes this project. His concern is precedent. This is the second time we've been asked for permanent zoning. Do we create any kind of legal standing or something by granting a couple of these? Are we creating something here for the future?

Mike Goimarac stated he doesn't think so. It's the Land Development Code that provides we can put limits on zoning for development. It gives the Council right to revert property. No one could argue that just because we did it in this case, we have to do it on another property. It's our zoning controls that dictate what we do in each instance.

Vice Mayor Hamilton stated the Forest Service is looking for a better place for a trailhead. If the Forest Service was willing to pursue moving this trailhead to a better site, nearby, does what we're doing tonight let that happen without us having to get back in the middle of things or will this have to get back to Council?

John stated the intent is Mr. Moore's obligation is to construct 7 spaces on his property; there may be a better area that's totally on Forest Service property. He still has that obligation to provide that funding if it goes on Forest Service land. So maybe that would be a development agreement at a future time if this all goes on Forest property.

Mike Goimarac stated we have a site specific zoning that puts this trailhead at a specific location,

then if we want to move that haven't we shot ourselves in the foot? That's a good question. He wasn't aware of the potential of that happening. If the City is in favor and the developer and Forest Service are all in favor of moving it, there's a way to move it. But if any of those don't want to move it, it could be problematic. You'd have to go through some type of hearing process to amend the zoning since this is site specific zoning to change the site plan.

Vice Mayor Hamilton stated this is their one shot for at time extension. Is it possible to grant it for a certain period of time and then have reconsideration?

Mike Goimarac stated the code allows for one-time extension. We can't ignore that provision.

Councilor Frey stated John you know where he lives. The zoning he has is permanent until he comes to Council to rezone, that's the same thing we're doing now. The word permanent is what's bothering everyone. We have permanent zoning until we bring it up to change it.

John stated if you wanted to revert their zoning, you would have to have a public hearing to change it back.

Councilor DiNunzio stated on the point of placement of the parking and the trailhead, item 5 says the applicant shall complete the trailhead, if that's changed to complete a trailhead does that provide flexibility to change the location?

Mike Goimarac stated yes, but what we have is site-specific zoning with the trailhead in one place, he doesn't know if it's appropriate to make the change so the trailhead could be anywhere tonight.

John stated could we have "on the subject property or on Forest Service property if deemed more appropriate in the NEPA process."

Mayor Adams stated we may want to take a break to allow you to wordsmith with that. Is there any language about in lieu fees if the Forest Service comes back and doesn't want the trailhead?

John stated this trail has been identified in our plan for 15 years. The Forest Service is ready to do it with a NEPA process. If they decide not to do that the benefit goes away.

Mayor Adams stated should we develop an in lieu fee if they don't do the trail system since it is part of the community benefit we're getting. If Forest Service says we're not going to develop the trail system, they should provide funding to the City.

Councilor DiNunzio stated his second question involves parking at the trailhead. Will the land provide for overflow parking?

John stated the 7 spaces isn't adequate, they'll probably have to expand that onto part Forest Service land.

Councilor Colquitt stated she's ready to make a motion.

John stated we could modify the language or proceed as we are now we the assumption 7 spaces won't be enough, Forest Service will probably do additional spaces on their property.

Mike Goimarac stated the public hasn't received notice of those options being presented tonight. We're not here to modify conditions of approval beyond those necessary to modify the time extension. He feels uncomfortable about adding in lieu fees in the context of what we're agendaized to do tonight.

***Motion: Councilor Colquitt moved to approve case number TE2009-4, La Tierra Plaza and Adobe Lodge, by adopting those additions and modifications to the original conditions of approval as set forth in that document entitled, "Amended Conditions of Approval Associated with Time Extension Case No. TE2009-4." This approval is further based on compliance with all ordinance requirements and the time extension criteria set forth in Section 400.11B of the Land Development Code, and is subject to applicable ordinance requirements, the applicant's letter of intent dated November 11, 2009, and the conditions of approval associated with the original review of the La Tierra Plaza and Adobe Lodge project as hereby amended. Councilor Frey seconded. Vote: Motion passes with six (6) in favor and one (1) opposed. (Vice Mayor Hamilton opposed).***

*Mayor Adams called a recess at 6:47 p.m. Councilor Frey left at 6:48 p.m.  
Council reconvened at 7:00 p.m.*

**11. Discussion/direction on a project presented by Greg Zucco to pursue the implementation of a transit circulator system in Uptown predicated on neighborhood electric vehicles.**

Greg Zucco stated he'd like to thank the task force that did so much work putting this together. It sets a high standard for citizen involvement in the community. Jodie Filardo and Max Licher and Armor Todd of The Sedona Trolley were involved. The task force proceeded on the basis of one key function and the objective we established was we were to focus on one premise and that was moving people from A to B in the most cost efficient means as possible. He believes we have achieved that and gone beyond. If it weren't for the experiment with the Roadrunner circulator we probably wouldn't be here tonight discussing an alternative. We want to change to increase ridership. From the beginning the Roadrunner had had low ridership. When they implemented their service reductions in July 2009, ridership declined by 21% in the next five months. NAIPTA projected that would happen. Our project would conservatively increase ridership 30% of what they're doing. We'd like to decrease the cost. We believe we can run that same system and carry more people for \$169,000-\$289,000. The third thing we'd like to change is improve upon community acceptance of transit in Uptown. The circulator has been unpopular because they see the empty bus around. We believe that our project will eliminate the empty vehicles circulating around town and we'll carry more people at a lower cost. Not only do we have a financially and economically viable program, but it's going to be better for the environment. We know that if the two diesel buses that are circulating now; we'll eliminate 3,074 lbs of greenhouse gases and avoid the usage of gallons of biodiesel fuel. We will eliminate thousands of short car trips in Uptown, less than 1 mile. None of this data includes gas emissions that occur while these buses are idling. We want to move away from a diesel bus to a neighborhood electric vehicle. The buses cost \$287,000 each. They're costly to maintain and fuel. With the substitution of an electric vehicle it's \$17,000 and maintenance costs are less. They are zero emission. We'd like to implement a change in service model. The current model is a service model used for over 40 years. It says here's a bus, here's a stop, you get on when we get there and you get to the next stop when we get there. The visitors to our city are riders of choice. They do not have to take the bus. They can drive their cars wherever they want to go. Cars are more attractive, more convenient, more flexible and more comfortable. We know people take their cars because it offers them more flexibility. If we can put them in a vehicle that replicates the convenience and



comfort and not have them wait more than 5-7 minutes to take them exactly where they want to go on a pre-defined corridor. We'd like to change to a nonprofit organization that is flatter, leaner. We don't feel we have that kind of organization now. It will allow for the use of volunteers which can result in a significant cost savings. He can't overestimate how these three core ingredients go into what we propose. You can tweak them, but if you remove any one of them you don't have the project. All of these are necessary to make the system work. We propose to have a fleet of 8-10 zero emission 6-passenger electric cars. The capacity is flexible. We will run them on an expanded pre-defined corridor. The line in red illustrates the current circulator transit route. Our proposal will expand up Jordan Road to the Heritage Museum and the Jordan Trailhead. We will pick up Schnebly Road up to the Creative Life Center. We'll extend to Kings Ransom Hotel. The vehicles will be dispatched by demand. You call and we'll send someone to get you. We'll have a central dispatcher in an office who will track the vehicles in real time. The drivers will have hands free GPS cell phones that will show where the vehicles are. A dispatcher will receive a call and look on their computer to find the vehicle closest to that location. With the number of vehicles we'll have, it'll probably be there in minutes. We will have stands around the corridor similar to what buses use now for stops. If a vehicle isn't in use and it's standing, it may be approached by a visitor and asked to take them somewhere. We're not allowed for a moving vehicle to be flagged for safety reasons. We believe there are revenue opportunities. There will be a small user fee for each passenger. \$0.25-\$0.50/ride per person. Resorts could purchase passes for their guests to utilize. Los Abrigados charges them \$2.50 to bring them Uptown. Currently L'Auberge is doing what we propose. In addition to the user fee we proposed to utilize advertising on the vehicles. It's been successful on other systems used around the country. Armor Todd has advertising on his vehicles. Having a nonprofit allows us the opportunity to keep the organization lean and use volunteer labor. If you look at all the resources around Sedona, no one would argue that all natural, physical, human and economic resources are essential. All of the resources contribute to Sedona in one way or another. The natural resources make it a nice place to live. We need the physical resources to support all that activity. Economic provides the engine to give Sedona the opportunity to feed resources back out to the community. Transportation fits into that category where we send resources back out to the people who make this town go. It's a question of what kind of priority it is. How do we deal with the buses that we've paid over \$1 million for? If we stop using them on a circulator route we'd have to pay back \$600,000. We can't afford to stay in it or grow out of it. So he called the Federal Transit Administration, region 9 in California. He spoke with program manager Jeff Davis. He said we're having route reductions all over the country so we have plenty of precedent with how to deal with this issue. He said NAIPTA is the primary grantee on those buses, which means all expenses pass through NAIPTA. If you terminate using those buses, they revert back to NAIPTA as the primary grantee. They can use them anywhere else in their system. If NAIPTA wants to get rid of them, then they pursue a transfer of rolling stock, grantee to grantee. The federal interest of the vehicles will be transferred and there's no obligation to reimburse FTA. He said we could give one to Scottsdale and not have an obligation. Scottsdale is another FTA grantee, they receive federal funds. In our situation, our buses had a useful life of 7-10 years. We've only used them for 3 years. If we want to get rid of those buses without cost to the city: NAIPTA uses them somewhere else in their system, or we transfer them to another FTA recipient anywhere in the country.

Mayor Adams asked if that means we would give it to them or sell it to them.

Greg stated you give them your interest through the bus. NAIPTA would be the primary driver of that. If you try to sell these buses and recoup your cost, there's a whole new set of regulations at play. Would you rather come up with \$600,000 or say Scottsdale take this bus? Non-performing programs don't need to be sustained indefinitely. The city has a fiduciary obligation to spend tax

dollar prudently no matter the source. Finally, the city should consider all ramifications should grant monies become unavailable. You either terminate the program or you assume all those costs yourself. Do you want to assume the \$500,000 budget for the circulator? If you want to maintain transit and keep your costs at a minimum our project will fit the bill. He'd like to see the city authorize a project team including a member of staff and NAIPTA. He'd like to know who's in charge. He would like council to authorize staff to pursue grant funding. He would like to see NAIPTA discontinue any further expansions or expenditures and move toward disposition of buses per recommendations of FTA. It's a tall order. He doesn't expect Council to agree to any of this tonight.

Mayor Adams stated it's a real example of what can be accomplished without being subject to open meeting laws. Thank you for your work.

*Mayor Adams opened it to the public at 7:33 p.m.*

Armor Todd, Sedona, stated when the Roadrunner first started he was at the podium talking about the vehicles saying they would cause confusion with his trolleys. It's creating a problem when we fly by with our tours and they wonder why we aren't picking them up. There were many reasons the Roadrunner vehicles were inappropriate. It's a good time to think about replacing them with something that works.

Dennis Rayner, Sedona, stated it's a wonderful idea, but what about safety, with open sides.

Greg stated the vehicles are subject to federal standards. There are some with closed sides. There are systems like this operating in Texas. The speed limit where we're going to operate is 25 mph. Right now we see ATVs, motorcycles and L'Auberge operating theirs on the road. Safety is a consideration.

Mayor Adams asked Mike Goimarac if public comment was designed to address questions to the presenter.

Mike Goimarac stated questions are directed to Council then they ask the questions.

Dennis stated the question of licensing if you have volunteers? He applauds the idea.

Dan McIlroy, Sedona, asked if it's the government's business to provide free or charged transportation. Is it our business to do that or leave it open to private entrepreneurs to fill that need, make a business and pay a tax?

Max Licher, Sedona, stated there is a role for city's to have a part in public transportation. Just like we invested in the Uptown enhancement project. It's all about improving the safety and experience of residents and visitors here. It's hard to put an estimate of every dollar spent. Our initial goals of trying to reduce traffic have been unsuccessful. Providing that enhanced quality of experience is just as important as the service that shuttles people from Cottonwood to Sedona. In times of budget crisis we may not be able to afford to do anything. If you agree there's a place for transit the point is to do it as efficiently as possible.

Mayor Adams stated he encourages dialogue in this process. The problem is we're under time constraints so work with him in filling the cards out.

*Mayor Adams brought it back to Council.*

Councilor DiNunzio asked about volunteer drivers?

Greg stated the packet contained a copy of the feasibility study. Volunteer drivers are in use all over the country. The size of our vehicle doesn't require a CDL, under 14 passengers. With regard to liability he could refer to Mike Goimarac, who he spoke with early on. If we're under contract with the city, he doesn't perceive pass through liability.

Councilor DiNunzio stated we're trying to get people on buses from Cottonwood. Is there any discussion if the buses drop of 50 employees, could your vehicles run them to employers?

Greg stated we do see them that way. The beauty of the program is employees, residents and visitors can get around the corridor. It's a nice program.

Councilor DiNunzio stated he's not ready to talk about specific action tonight. But he'd like to see this continue for the next few months. That should happen independent of NAIPTA. This should be parallel to what the city is requesting of NAIPTA. He encourages this to move forward.

Mayor Adams asked if the people that were involved are interested in moving forward.

Greg stated he can't speak for them, but if we did some arm twisting they might be amendable. We need to identify what our next step is. We have done our work. All that remains to be done is perhaps clarify what our mission is from this point forward and get on with it.

Jodie Filardo stated whether the team is willing to move on hinges on the way in which it is to move on. There was some discussion about having NAIPTA participate in having us evaluate these vehicles. We felt that moving forward it'd be essential to have a transit professional's participation in this. Another issue of concern is we want to understand how this would relate to the existing NAIPTA structure that we have.

Councilor Scagnelli stated she's not going to give direction tonight. It's a big decision that will go on for a few years. The presentation was fabulous. Her biggest concern is the service model. She's dealt with tourists for years. People don't pay attention. We have a hard time right now having people get on something they're familiar with. Getting them to do something outside the box will be hard. To get them to make a phone call will be harder than you think. Maybe using those vehicles similar to a service model we use now will work better. You have to know where you are to get them to pick you up.

Vice Mayor Hamilton stated he's delighted with the report. We don't have to have appointments and recorders and hire consultants because we've got that talent. It's a quality model. He shares Councilor Scagnelli's question about how do people know who to call so advertising will be an issue.

Greg stated the best source for us is referral, word of mouth. The vehicles will display signage with a phone number. If we provide the right incentives for resorts to recommend usage.

Vice Mayor Hamilton asked if we can continue to use all the stands for the Roadrunner?

Greg stated they're appropriate. Some are putting call boxes in stands like that.

Vice Mayor Hamilton stated giving direction seems difficult, but he'd give direction. Let's not put any money in the Roadrunner starting in July so we could explore this model in-depth. We need to get the Roadrunner taken care of before we implement this. He would like to move toward shutting the Roadrunner down. And explore what it takes to gear up this thing at least as an experiment. Thank you.

Councilor Colquitt asked do we have an obligation to NAIPTA if we decide to no longer circulate with them?

Mike Goimarac stated we entered into some sort of IGA. He doesn't remember the specifics off the top of his head.

Councilor Colquitt stated she doesn't want to give direction. She feels NAIPTA should be included in these. She's interested in Mr. McIlroy's approach. Let the private sector do that. She's not sure she always agrees with Mr. McIlroy but that's something to look into.

Councilor Surber stated it's a good presentation. The only direction he would look at is trying to talk to NAIPTA. The Lynx is a big part and he wants to make sure that continues. If we take away the Roadrunner is the Lynx still viable? The process needs to include NAIPTA in the discussion of how to get rid of the buses.

Mayor Adams asked if he can get Council support in having Tim Ernster, Greg enter into discussion with NAIPTA to discuss the bottom two points: discontinuing any further expansions or expenditures and move toward disposition of trolley buses per recommendations of FTA? We should also talk to NAIPTA if they'd be willing to work toward this concept. He'd like to see us move with that group in that discussion. Can we get Council's support in moving forward with discussing those issues?

Jodie Filardo stated moving forward in the budget process we have \$62,000 because we need to talk about these vehicles and a place to charge them. Tim Ernster pointed out that that \$62,000 place holder will also be vying against all these other projects.

Mayor Adams stated that place holder will be discussed during the budget process. At least those discussions would move us forward. He's like to confirm Mr. Zucco's facts on our options for the disposition. Would Council support that action?

Councilor Colquitt stated she'd like to hear direction from Tim Ernster.

Tim Ernster stated we have to have those options with NAIPTA before we get to budget discussions. We need to know what our options are. How could we dispose of those buses if Council wanted to? There are some questions we need answered from NAIPTA.

Councilor Scagnelli stated she agrees with Tim Ernster. She's not comfortable giving direction on this tonight. She supports transit. It's part of a visitor experience. She's fearful if we go down this road, we'll end up with nothing all the sudden. Once we pull out that door is closed so we need to make sure that's what we want to do. She wouldn't have picked the trolleys, but whether this is the time to dispose of them she doesn't know.

Greg stated no one has had any interest in finding that out before.

Councilor Scagnelli assumes when we walk away from NAIPTA we don't open that door again.

Mayor Adams stated the support he was getting at was to enter into discussions with NAIPTA about options to move forward. He asked for a show of hands to support his request to move this ahead.

Councilor DiNunzio stated he's concerned that we approach this as the customer of NAIPTA. We're in the driver seat. He doesn't know if they're capable of running the proposed project. If you're suggesting that we discuss how we might morph the Roadrunner with NAIPTA as the operator of it, he doesn't know how we'll get to this. We'll have to replace it with a complete remodel.

Mayor Adams stated the end result may or may not be NAIPTA being a part of this process. This might not be the only model. So we enter discussions with NAIPTA. Under what circumstances would you continue in your administrative role or not?

Councilor Surber stated he'd support discussing with NAIPTA alternative means of transportation, whether this is a suitable model they can do.

Mayor Adams stated we need to verify the information we got from Mr. Zucco. And that would be part of the discussion with NAIPTA.

Tim Ernster stated regardless of the direction we get tonight, staff would have to have discussions with NAIPTA as part of the budget process. That's if the City can't afford the Roadrunner, how do we get out of it with the least impact. First you need to get out of the Roadrunner and the second is what you want to go to. The real issue is can the City afford to continue the Roadrunner and if we get out how do we go about doing it? Our intention would be to have those discussions at staff level.

Mayor Adams stated the intent of the discussion is to move forward. He's suggesting that Greg and he be part of those discussions as well.

Tim Ernster stated staff is fine with that. We'd want to have those discussions anyway.

Mayor Adams asked if that's acceptable to Council?

Councilor Surber stated there's a decision to be made by Council if we want to continue it budget wise. There are other questions we need to vet before we can make the decision.

Councilor Colquitt stated this has nothing to do with Mr. Zucco. What concerns her is that should be in the second step that you're bringing in the alternative. It's almost like you're going in with the alternative. She'd like to hear NAIPTA here tonight. They are a stakeholder.

Mayor Adams stated we have four councilors in agreement so we can move on with that direction.

*No legal action was taken.*

**12. Discussion/possible action to initiate the process for the 10-year review and update the**

## **Sedona Community Plan.**

Mike Raber stated state law requires city's general plans be updated and voted on every 10 years. Ours needs to be voted on by citizens in 2013. It was updated in 2002. That was the first time citizens voted on the plan. The Community Plan is the city's general plan. It lays the ground work for the city's future. It's a statement of the city's goals. Although the plan is not an ordinance, ordinances must conform and be consistent with the plan. The last update was a 2-year process from the time it was initiated to adoption. Initiating the update process now should allow time before our 2012/13 deadline. We attached a rough outline and that's based on the process we used on the last update. The process has four phases. The first two are issue identification phases. That's our understanding of key issues and priorities. We have a state mandated 60-day review period. The updated plan has to be approved by a 2/3 vote of Council before going to the voters. Public participation is the key element. It's mandated by state law. It's ongoing throughout the planning process. Preliminary Goals include: User-friendly/strategic Action; Sustainability; Housing Element; Evaluate Policy on Annexation; Direction for Re-Development. We've discussed eliminating redundancy. One approach is to focus on the goals, objectives, strategies and a lot less on the background information. We've talked about making an executive summary. Sustainability is a global issue that's gained relevance since the last plan. The housing element is recommended in our current Community Plan. The plan recommends looking at the housing element comprehensively. There's a need to evaluate whether the study that was done then is relevant today. We want to look at evaluating whether we want a policy on annexation. The current Community Plan contains action items related to specific planning but the plan needs to be reevaluated for how it sets the stage for future planning. That's in conjunction with input from the community for things like our commercial corridor. The top issues in 2001: SR179 widening, open space, community character, lodging and timeshares and the environment. One part of the process is involving P&Z much earlier and more continuously than we did last time. Community Development has established four working teams to assist in the public input process and working on how to make the document more user friendly and sustainability. All of those meetings are publicly noticed. Staff is starting the public outreach later this week. We're really at the very beginning. We want to start community wide issues in early May. The Community Plan is being prepared inhouse in conjunction with citizens of the community. The City won an award for citizen involvement in the last update. This community is so willing to be involved. The draft will need to be modified.

*Mayor Adams opened it to the public at 8:27 p.m.*

Barbara Litrell, Sedona, stated 10 years ago when the plan was done last time, the internet wasn't as big a factor as it is today. The city Web site is good but not that user friendly she hopes we could really figure out a way to get people involved through the internet. HOAs have amazing lists that they can get the word out to. Whatever we can do in terms of using the internet would be good.

*Mayor Adams brought it back to Council.*

Mayor Adams asked are budget constraints going to impact the outcome of this plan?

Tim Ernster stated he's discussed the budget required. We can manage the numbers over the next couple years. And it helps to do it inhouse.

Mike Raber stated it's all internal and most of the budget will be spent on mailing, printing,

noticing, and some facilitation. We're looking at \$14,000 for one fiscal year. That's the higher end. It's keeping our budget the same. The way we're staffed now we're prepared to move forward with it. We've done it before inhouse and we can do it again.

Vice Mayor Hamilton stated there are processes by which you can set up a web site that people can put input into. Can we do a lot of public input things in that way? Your public involvement list is thorough but also traditional.

Councilor Surber stated are there other commissions that might provide input in some areas?

Mike Raber stated we're meeting with all city commissions and asking them to help us by updating all of their information so that will help us in formulating each one of those elements. Once we start the public process we'll get the commissions up to speed with what the public's saying. We can establish focus groups later in the process that aren't specifically spelled out right now but making access more available is something we can explore.

Councilor Surber stated another key element is educating. We can get any answers we want by how we form our questions. Another key is to make sure they get the information to help them form their input.

Mike Raber stated the first series of meetings are geared toward a two-way process, giving stats on current growth, before we start hearing from them.

Mayor Adams stated regarding the five goals, he assumes there's some flexibility in there.

Mike Raber stated absolutely. They are preliminary goals. It's going to grow.

***Motion: Councilor Colquitt moved to initiate the proposed general Sedona Community Plan update process with the understanding that this process is flexible and may need to be modified from time to time to accommodate changing circumstances. Councilor Surber seconded. Vote: Motion passes unanimously with six (6) in favor and zero (0) opposed. (Councilor Frey was absent).***

**13. Presentation/discussion/possible action on intergovernmental relations with the Arizona Legislature.**

Alison Zelms stated this item has been agendaized so we can constantly update you. A delegation from Sedona met with our legislators at the capitol last week. The legislature did approve a final budget for 09-10, which we are almost done with and two for 2010-11. She's going to cover several bills. The impacts to local control of local revenue start with HB2512. That directly impacts Council's current goal to try to move to self collection of sales tax through a contract. That will be moving through committee this week. We received an update from League of Arizona Cities and Towns. The Representative that introduced the bill did not accept the amendment that was provided by the League, which would have made it less impactful to small cities and towns. She passed out a handout that said "oppose HB2512", those are talking points provided by the League highlighting the negative impacts of 2512. City staff has been in correspondence about that bill and Representative Tobin said he will vote against it. HS2257 requires a 90-day notice before any discussion of an increase in taxes or rates to occur. That is three times the normal amount of public notice required. So that would impact existing legislation throughout the state statutes that have different notice requirements for different fee increases. HB2450 would impact our ability to collect delinquent wastewater fees from renters.

We would have to collect it from the renter not the homeowner unless we changed our contractual policies which would require anyone receiving wastewater service to have a contract. If we aren't able to collect the delinquent fees that will be passed on to every other user and in Sedona that will be passed on to our entire budget. There are four bills that make it more difficult to go through the eminent domain process. One would require 120-day notice to a property owner. The League is actively pursuing ways to amend the bills or not allow the bills to move forward. SB1239 that would not allow any increase on residential rental tax without a vote by the public. That's not in conformity with state statute. If you increase your general transaction privilege tax from 3% to 3.5%, you could do that with every category except for residential rentals. HB2060 extends Growing Smarter for two years and utilizes the new funds to keep state parks open and possibly reopen some that were closed last budget year. The Sierra Club is not supportive of that. They're more supportive of HCR2040. But it's highly unlikely that bill will move forward at all. Representative Tobin is moving forward with achieving votes so his bill can move forward. We are working on that. That would allow Red Rock State Park to stay open with public funds not from the City. In the Seventh Special session on March 15, the Legislature sent its bills to the governor. She approved the packet of budget bills. The goals were to fill a \$700 million shortfall that remains in the current fiscal year and to fill a structural deficit of \$2.6 billion. They enacted a \$8.9 billion budget for next year. \$1.5 billion is reliant on three voter initiatives. The May 18 election is for a 1% sales tax increase. That will not be shared with cities and towns. That's a \$918 million measure. If it's not approved it will require further expenditure reductions. The other two measures would be voted on in November. That's a first-things-first measure. That allows for \$325 million fill of a hole. The second ballot measure is the Growing Smarter initiative that would transfer the existing reserve to the state general fund. That's how they've filled the hole. If those measures don't pass they've enacted a secondary budget that would cut education. That's what's left of the state budget, as well as health care. If the measures are not approved she doesn't expect there'd be a tax on state shared revenue for cities and towns. A \$20 million hit to state shared revenue did not end up in the budget so cities and towns didn't see that reduction. That would have been a reduction of \$45,000 to Sedona. Transportation got hit. Lottery funds to transportation were swept entirely. They discontinued the bucket system they have that requires funds to go to certain places. That is a concern to cities and funds because the funds go to local governments for transportation purposes. Typically they go to our streets. So that will impact the funds we see for NAIPTA. ADOT had \$76 million of highway revenue funds eliminated for their current year. Their spending was capped at \$322 million. That will impact their operations, which includes rest areas and snow removal. There's a flat expectation for money the City receives for its streets fund. What she's looking for tonight is different than in the past. You don't have to take a vote, but by not opposing it she'll understand you're okay with it. Approval for staff to oppose bills that negatively affect our control over local revenue that create increased cost for projects or attack the formula for state shared revenue and support funding for state parks or educations. In general to support or oppose bills in line with the League unless that goes against what Sedona is in support of. That direction will improve our lobbying efforts on behalf of Sedona's interests.

Mayor Adams asked if there's any objection from Council?

Alison Zelms stated we'll have this item on every agenda to report back to Council.

Mayor Adams stated having a staff person being the legislative watchdog is a terrific idea. It updates the Council and it's enabled us to be proactive in soliciting support. We've been active writing letters this session. We're interacting with mayors and legislators. It enables us to get a better idea for budget forecasts. Good job Alison you have that support.



*No legal action was taken*

**14. Discussion/possible action on the canvass of the City's primary election held on March 9, 2010.**

Randy Reed stated on March 9, 2010, the City of Sedona held its fifth vote-by-mail election. The Primary Election was held to fill three Council seats consisting of a four-year term, one Council seat consisting of a two-year term, and the election of mayor for a two-year term. The Primary Election also considered a proposal as to whether the mayor should be elected by the voters or appointed by Council. Yavapai County, who conducted the election for the City, faxed the unofficial final election results to the City Clerk on March 10, 2010. Rather than read all this tonight, the unofficial final results will be attached to the minutes and be incorporated therein.

*Mayor Adams opened to the public at 8:54 p.m.; not seeing any brought it back to Council.*

***Motion: Mayor Adams moved to approve the Canvass for the City of Sedona Election held on March 9, 2010. Vice Mayor Hamilton seconded. Vote: Motion carried unanimously with six (6) in favor and zero (0) opposed (Councilor Frey was absent).***

**15. Discussion/possible action on future meeting/agenda items.**

Mayor Adams stated the next meeting will be April 13, that will focus on the wastewater rate and associated issues.

Regarding Councilor Frey leaving, he requests that all Councilors notify the mayor if you're not going to be there or if you leave early or come in late.

*No legal action was taken.*

**16. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:**

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. §38-431.03(A)(3).**
- b. Discussion or consultation with legal counsel in order to consider its position and instruct its legal counsel regarding the City's position in the following pending or contemplated litigation or contracts that are the subject of negotiation, or settlement discussions in order to avoid or resolve litigation per A.R.S. §38-431.03(A)(4), specifically:**

- 1) Sedona Grand L.L.C., v. City of Sedona, Yavapai County Superior Court Case No. 820080129.**

**Following any discussions in executive session of the above matters, the City reserves the right to discuss and/or act on any of the above listed legal matters in open session.**

*No executive session was held.*

**17. Return to open session. Discussion/possible action on executive session items.**

*No executive session was held.*

**18. Adjournment.**

**Mayor Adams adjourned the meeting at 8:56 p.m. without objection.**

**I certify that the above is a true and correct summary of the Regular City Council Meeting held on March 23, 2010.**

\_\_\_\_\_  
**Alison E. Carney, Recording Secretary**

\_\_\_\_\_  
**Date**